



**Asia-Pacific  
Economic Cooperation**

---

**2019/MRT/007**  
Agenda Item: 1.4

## **2019 SOM Chair's Report to the Meeting of Ministers Responsible for Trade**

Purpose: Information  
Submitted by: SOM Chair



**Ministers Responsible for Trade Meeting  
Viña del Mar, Chile  
17-18 May 2019**

## 2019 SOM Chair's Report to the Meeting of Ministers Responsible for Trade

This report relates to Senior Officials discussions to date and follows our meetings' agenda. It focuses on the outcomes and deliverables for APEC 2019 that are of relevance and interest to Ministers Responsible for Trade (MRT).

### INTRODUCTION

Chile's 2019 theme "Connecting people, building the future", reflects and builds on the work undertaken in previous years and gives new momentum to APEC's work areas on inclusive and sustainable growth, regional economic integration and connectivity, to harness the benefits of digital economy. Chile has also emphasized its "back to basics" approach for APEC 2019 and the importance of robust, non-confrontational discussion to build consensus and incubate new ideas to generate cooperation in a non-binding setting.

The priorities for this APEC year are:

- (i) **Digital Society:** focused on implementing the digital economy roadmap, the future of work, measurement of the digital economy; and enhancing digital connectivity.
- (ii) **Integration 4.0:** harnessing the fourth industrial revolution to provide frictionless trade and connectivity through smart trade, borders and logistics.
- (iii) **Women, SMEs and Inclusive Growth:** the key deliverable to Leaders will be a Roadmap on Women and Inclusive Growth, which will include ambitious targets.
- (iv) **Sustainable Growth:** giving momentum for work protecting our oceans through work to combat IUU and reducing marine debris.

### I. STAKEHOLDER ENGAGEMENT

In 2019 APEC is working to strengthen connections with the private sector, and to ensure it is relevant and connected to the needs of our people, for example, through outreach events in the host economy. For 30 years, public-private interaction has been key to the success of APEC. A public-private dialogue for Ministers Responsible for Trade has been arranged on May 18 to discuss regional economic integration and trade as a driver of inclusiveness.

The APEC Business Advisory Council (ABAC) has written to MRT and called for Ministers to, amongst other things, engage constructively to support and reform the WTO, accelerate progress towards realizing a Free Trade Area of the Asia-Pacific (FTAAP), and address the unfinished business of the Bogor Goals. ABAC has also called for reduction in barriers in investment and trade in services and that all opportunities from trade liberalization be accessible by all sectors of economies. ABAC will also host an "SME Summit" and a "CEO Summit" in Leaders' Week 2019.

## **II. REGIONAL ECONOMIC INTEGRATION**

### *Bogor Goals*

Regional Economic Integration remains the cornerstone of our work. This year, APEC has discussed concrete steps towards achieving the Bogor Goals by the 2020 deadline, in response to Leaders' and Ministers' instructions for a "final push". The Committee on Trade and Investment (CTI) endorsed a final push focused on services and tasked the Group on Services (GOS) to develop a set of short and medium-term recommendations regarding priority areas for facilitating services trade and enhance services competitiveness. These recommendations should be developed by the "Services Summit" during SOM3 and be based on the APEC Services Competitiveness Roadmap and take into account the Bogor Goals progress report and requests by ABAC. A number of economies have proposed other areas to contribute to a final push and noted that any work needs to be practical and focused where our collective efforts can have the biggest impact.

### *Free Trade Area of the Asia-Pacific*

This year, economies have presented their different positions on FTAAP. Many economies have stated their continued support for work towards the eventual realization of FTAAP, including implementing the Lima Declaration. Economies are engaged in ongoing information sharing and capacity building initiatives to support participation in high quality, comprehensive FTAs in the future. As part of this work, a "Survey on MSME/MSME-related Provisions in APEC Economies' FTAs/RTAs" was conducted and found that most provisions are found in cooperation chapters, are best endeavor in approach and vary in scope, and that these results will contribute to APEC's MSME Work Program and FTAAP discussions. State-Owned Enterprises (SOEs), labor, and digital trade have been recurring areas of debate.

### *Integration 4.0*

In line with the Integration 4.0 priority and in recognition of the importance of connectivity, the CTI has endorsed the "APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025 Global Value Chains" (the Blueprint 2.0) which emphasises the importance of services, and the digital economy in global value chains and their importance to the inclusion of MSMEs and women. To support the development of this plan, at SOM2 Chile hosted a successful workshop called "Trade and investment inter-dependencies in GVCs: Are policy frameworks for trade and investment keeping apace?".

## **III. MULTILATERAL TRADING SYSTEM (MTS)**

The forum has actively discussed APEC's support for the Multilateral Trading System (MTS) and continued work to build capacity and increase information sharing for the implementation of WTO agreements; improving transparency issues through initiatives such as notifications of fisheries subsidies and sanitary and phytosanitary (SPS) measures, and in improving our collective understanding of trade-related electronic commerce provisions in trade agreements. Singapore is leading work on monitoring economies' progress in implementing the WTO Agreement on Trade Facilitation which all economies have ratified however three economies have yet to notify their definitive date for Category B implementation.

The Chemical Dialogue (CD) has continued work on "Globally Harmonized System for the Classification and Labelling of Chemicals" (GHS). The implementation of an internationally agreed system for the labelling and classification of chemicals would significantly facilitate trade in the APEC region. The CD has been promoting the consistent implementation of the

GHS since 2002 when MRT endorsed the CD's efforts to promote the widest possible GHS implementation by APEC economies.

#### **IV. DEVELOPING THE APEC AGENDA**

##### *Digital Society*

The new Digital Economy Steering Group (DESG) met for the first time at SOM1, and in a special session at SOM2 continue to discuss its terms of reference to be endorsed later in the year. SOM has repeatedly called for this group to settle procedural issues hindering the group from addressing the challenges and opportunities relating to the emergence of the digital economy. At SOM1, the DESG and the Telecommunications and Information Working Group held a first joint meeting, as mandated by Leaders. That first joint meeting started the discussion to define the working process and roles that both groups would have with regards to the implementation of the APEC Internet and Digital Economy Roadmap. The joint meeting also held a public-private dialogue.

##### *Women, SMEs and Inclusive Growth*

Chile has proposed the development of an APEC "Santiago Roadmap for Women and Inclusive Growth" to be annexed to the 2019 Leader's statement, with the aim of building on APEC's commitment to gender integration, advancing APEC's progress to-date, and providing a guide for the region to focus initiatives going forward. To continue APEC's SME agenda, an SME Ministerial will be held in September 2019 which will include discussions on SME's internationalization, digital transformation and new avenues to access finance.

##### *Sustainable Growth*

Under the sustainable growth priority, Chile and the Republic of Korea have co-proposed an APEC Roadmap on Marine Debris (2019-2030). Chile has also proposed that APEC draft a multi-year APEC Roadmap on Illegal, Unreported and Unregulated (IUU) Fishing. These roadmaps will be developed throughout 2019 and will make a significant contribution to APEC's sustainable growth agenda.

##### *Structural Reform*

APEC continues its focus on structural reform which is driven by the Economic Committee (EC) and implementation of the "Renewed APEC Agenda for Structural Reform 2016-2020" which applied structural reforms such as competition policy and ease of doing business to digital economy challenges, and to help APEC economies update regulation in the digital age. This year, the EC's work is particularly aligned with the "Digital Society" priority as the 2019 APEC Economic Policy Report is focused on structural reform and the digital economy, and the EC is developing a platform for business to business online dispute resolution.

#### **VI. REPORTING FROM COMMITTEES**

Senior Officials endorsed the report from CTI1, SCE1 and EC1 and noted the reports from SCE2 and both the 32<sup>nd</sup> and 33<sup>rd</sup> meetings of the Policy Support Unit Board.

## **VII. LOOKING FORWARD**

Since 2017 APEC has been gathering inputs for the discussion it will have on the post-2020 Vision we will adopt after the deadline of the Bogor Goals. This year, the APEC Vision Group (AVG) held a meeting at SOM1. It has made progress in elaborating a proposed vision and is currently drafting recommendations, which will be presented to SOMs in November. On 14 May 2019, Chile hosted a successful multi-stakeholder dialogue, which included the participation of academia, the private sector, and civil society. Chile, Malaysia and New Zealand have co-proposed the "Timeline for the Adoption of the Post 2020 Vision", which was presented to SOMs during SOM2.

## **VIII. RECOMMENDATIONS TO MINISTERS**

SOM recommends that MRT:

- Endorse the proposal on "Addressing the unfinished business of the Bogor Goals: a final push in services" and note preparations for a "Services Summit" which will take place during SOM3 in August 2019.
- Endorse the "APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025" and its emphasis on services, digital economy and inclusion of women and SMEs.
- Note the results of the Survey on MSME and MSME-related Provisions in APEC Economies' FTAs/RTAs.
- Note the progress on implementing the World Trade Organization Agreement on Trade Facilitation.
- Note the Report on the "Implementation Convergence of the Globally Harmonized System for the Classification and Labelling of Chemicals in APEC Economies.